REPRESENTING ALL OR PORTIONS OF FRESNO, MADERA, MARIPOSA, SAN JOAQUIN, STANISLAUS, AND TUOLUMNE COUNTIES

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California State Senate

CHARLES S. POOCHIGIAN

FOURTEENTH SENATE DISTRICT
ASSISTANT REPUBLICAN LEADER



February 24, 2006

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CALIFORNIA WINE INDUSTRY

Attorney General Bill Lockyer Department of Justice PO Box 944255 Sacramento, CA 94244-2550

Dear Attorney General Lockyer:

I am writing to request that a formal investigation be opened regarding the use of taxpayer funds for campaign ads intended to influence votes for Proposition 82.

From December 2005 to January 2006, First 5 California Children and Families Commission (First 5), spent \$23 million in taxpayer funds on a "Preschool for All" television ad campaign. Contemporaneously, committee chairman Rob Reiner was gathering signatures for a ballot initiative also titled "Preschool for All." It has been reported that the day the requisite number of signatures was gathered, the television ads ceased.

The sequence of events suggests coordination between First 5's efforts to promote preschool via the "Preschool for All" television ad campaign and the effort to collect signatures for his initiative: "Preschool for All," or Proposition 82. As you know, serious concerns have been raised about the actions taken and the monies spent. The matter has been the subject of considerable media attention as well.

Under §8314 of the California Government Code:

a) It is unlawful for any elected or local officer, including any state or local appointee, employee, or consultant, to use or permit others to use public resources for a campaign activity, or personal or other purposes which are not authorized by law.

c)1) Any person who intentionally or negligently violates this section is liable for a civil penalty not to exceed one thousand dollars (\$1,000) for each day on which a violation occurs, plus three times the value of the unlawful use of public resources.

The expenditure of \$23 million in public funds is in question. In the event that suspected improprieties prove to be in violation of \$8314 or other state law, as much as \$69 million dollars (treble damages) may be recoverable.

First 5's ad campaigns have spent over \$230 million of the taxpayers' money. Since its inception, \$170 million of taxpayer funds went to GMMB, a public relations firm endorsed in its 2004 bidding package by Mr. Reiner. GMMB was apparently retained to manage Mr. Reiner's "Preschool for All" (Proposition 82) campaign. I am also urging your office to investigate to ensure that the proper selection procedures were used by First 5 in retaining consultants.

Again, I am requesting that a formal investigation be made into these matters because your office is best situated to scrutinize the circumstances and ensure the public trust has not been violated. Please feel free to contact my office with any questions you may have.

Sincerely,

Charles S. Poochigian

CSP:sa